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~ LulzSec Hacker Arrested ~ People Are Talking! ~ "Internet Essentials"
~ Internet Tax Compromise ~ HP Mulling CEO Shakeup! ~ PSN Goes Down Again!
~ Amazon Tablet Next Week ~ Facebook Faces Uproar! ~ HP Gets A New CEO!

~ Teacher-Student Ban Out ~ Gossip Sites Horrifying ~ Twitter Terrorists!

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- * Objections to COPA Updates! *-
- * Sony: Sign New Terms or Face PSN Ban *-
- * U.S. Internet Rules To Take Effect in Nov! *-

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->From the Editor's Keyboard           "Saying it like it is!"
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Well, I'm another year older, so that must mean that summer is officially over and autumn is upon us. Looking or walking outside sure seems to validate the calendar - wet and raw (although today's it's humid for a change, go figure!).

I don't know about you, but all I'm seeing these days is the world headed for the dumpster! The world economy stinks, and taking everyone and everything! There's no such thing as bi-partisan politics in the U.S., but who can you believe when they tell you why?! It's amazing to listen to the political rhetoric coming from the candidates running for the next presidential election. Been there, heard that - and look where we are today!

Anyway, enough complaining about this stuff! Y'know, I've been thinking about the Atari days of yesteryear, and wondering "whatever happened to...?" I think I'm going to do a little internet research and see if I can discover what has happened to some of our favorite (and not-so-favorite) Atari icons from yesteryear. If I find anything, I'll try to pass it along. Might be interesting to see what some people are up to these days! I'll be sure to keep you posted!

Until next time...

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->A-ONE's Game Console Industry News - The Latest Gaming News!

Sony Asks Gamers To Sign New Terms or Face PSN Ban

Sony is preparing to ban gamers from the PlayStation Network (PSN) unless they waive the right to collectively sue it over future security breaches.

The firm has amended PSN's terms and conditions and users have to agree to them next time they log in.

The move comes months after a string of hacking attacks compromised over 100 million accounts of the PlayStation Network subscribers.

It is, however, possible to opt out of the agreement within the next 30 days.

Gamers will now have to try to resolve any legal issues with an arbitrator picked by Sony, before being able to file a lawsuit.

The new clauses, dubbed "Binding Individual Arbitration," state that "any Dispute Resolution Proceedings, whether in arbitration or court, will be conducted only on an individual basis and not in a class or representative action or as a named or unnamed member in a class, consolidated, representative or private attorney general action".

The re-written terms and conditions are being presented to gamers when they log in, but some have questioned who will notice the changes.

Tech news site The Register wondered who would notice the small print outlining the opt-out terms, and not simply click the "agree" box having scrolled all the way down.

Those that want to opt out will have to send a letter to Sony's Los Angeles headquarters in the US.

Once they do, the subscribers will be able to keep their right to file a class action lawsuit without any need for arbitration.

But before subscribers have a chance to opt out, they will still be required to agree to the new terms the next time they log into their accounts.

Otherwise they will not be able to use the online services.

A class action lawsuit filed against Sony in April after the first attack, in which the details of 77 million users were stolen and PSN went offline for 40 days, could end up costing the Japanese electronics giant billions of dollars.

Sony Online Entertainment, the company's computer games service, was also hit, as well as the Sony Pictures website, exposing personal information for 25 million more accounts.

In addition, personal data of 2,000 consumers was stolen from a Sony Ericsson website in Canada and details of 8,500 users were leaked on a Sony Music Entertainment website in Greece.

Some time later, a group called Lulz Security claimed to have broken into Sonypictures.com.

Sony has since apologised over the security breaches and offered compensation packages.

PlayStation Network Goes Down Again

Since early today the PlayStation Network has been down, and it is not due to scheduled maintenance. With any other service that might be a slight annoyance, but nothing to really dwell on, and nothing to be concerned about. But this is Sony's PlayStation Network, the service that made headline news for its epic, and historic outages.

The hacks earlier this year against Sony changed the way many companies view their online security, and it put Sony under a global microscope. The outages began as an annoyance, then led to something that was a bit more sinister when credit card information was reportedly vulnerable due to the attacks. The interruption continued for weeks on end, and became a major issue for Sony.

Sony's CEO, Kaz Hirai, publicly apologized for the outages, and promised an increased emphasis on security going forward. The affected Sony services returned, then were hacked once more almost as part of a running gag before returning to normal. Since then, Sony has been in rebuilding mode. It smoothed over ruffled feathers with a handful of games and a bit of extra service, and things began to pick back up. Earlier this month, Sony reported that it had added more than 3 million users since the breach, and also emphasized upcoming changes to the PSN that will make it more of a social experience.

Then today the PlayStation Network went down. Again. Sony has confirmed the outage via Twitter, but it has not offered any explanation as to what caused the current outages or when it may return. The issue is apparently not limited to the U.S. either. PlayStation EU originally tweeted that "PlayStation Network engineers are working hard on restoring the service. However, we have no news on when it will be back online."

Since that tweet, PlayStation EU has followed up and claimed that the service will be back shortly, "Current indications are that we'll be restoring PlayStation Network services in approx. two hours. We appreciate your patience."

It may just be a quickly fixed issue, but it is hard not to see the specter of the past outages coming back. Even if the PSN is restored, it still raises the alarming question of why it went down. Hopefully this is nothing but a minor glitch in the service. We'll keep an eye on the situation and update with more info when available.

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Compiled by: Dana P. Jacobson

## U.S. Internet Rules To Take Effect November 20

Long-delayed U.S. Internet rules that tackle the controversial issue of balancing consumer and content provider interests against those who sell access to the Web will take effect November 20.

The Federal Communications Commission's "open Internet" order was published in the Federal Register on Friday, and immediately drew threats of court and congressional challenges.

The rules were adopted by the FCC late last year after a lengthy debate, but only recently cleared a review by the White House's Office of Management and Budget.

Criticized by opponents as a legally shaky government intrusion into regulating the Internet, the new rules forbid broadband providers from blocking legal content but leave flexibility for providers to manage their networks.

Broadband provider Verizon Communications Inc has been a vociferous opponent, and renewed its pledge to take the FCC to court as soon as the rules are published.

"We have said all along that once we see the publication ... we intend to file another notice of appeal," Verizon spokesman Ed McFadden said.

For the past 10 years, the possibility of regulations to mandate the neutrality of the Internet - in terms of restrictions on content, sites, platforms and types of equipment that may be attached - has been the subject of fierce debate.

The latest rulemaking was prompted by a U.S. federal appeals court ruling last year that the FCC lacked the authority to stop Comcast Corp from blocking bandwidth-hogging applications on its broadband network.

The rules, adopted last December in a 3-2 vote, give the FCC power to ensure consumer access to huge movie files and other content while allowing Internet service providers to manage their networks to prevent congestion.

An FCC spokesman said the rules increase certainty and predictability, stimulating investment and ensuring job creation and economic growth.

But public interest groups criticized the rules as too weak, saying the FCC bent heavily to the will of big industry players including AT&T Inc. and Comcast.

Matt Wood, policy director of public interest group Free Press, said broadband providers will be able to divide the Internet into "fast and slow lanes" and that the rules fail to protect mobile broadband users.

"Even in their watered-down form, the rules might do some good - but that would require a vigilant FCC to carefully monitor and address complaints," Wood said in a statement, adding that he doubted the agency would do enough to protect consumers.

While some public interest groups had considered a lawsuit to strengthen the rules, they now seem focused on ensuring the rules stay in place.

"We are prepared to vigorously defend the FCC's rules in court and in Congress," said Gigi Sohn, president of Public Knowledge. She said the rules are a good start despite not being as strong as she had hoped.

The U.S. Court of Appeals for the District of Columbia Circuit in April threw out earlier challenges to the FCC's open Internet order by Verizon and MetroPCS Communications Inc, dismissing their lawsuits as premature.

FCC rulemakings generally cannot be challenged until the rules are published in the Federal Register.

Top Republican lawmakers vowed after the rules were adopted to find a way to reverse what they called an unprecedented power grab by the FCC, calling the rules unnecessary and misguided.

"In order to turn back the FCC's onerous net neutrality restrictions, I will push for a Senate vote this fall on my resolution of disapproval," Senator Kay Bailey Hutchison, the ranking Republican on the Senate Commerce Committee, said in a statement on Friday.

The Republican-controlled House of Representatives pushed through a measure in April to overturn the order and prevent the FCC from adopting any rules related to it. The effort faces a tougher climb in the Senate, where Democrats retain a majority.

The White House has said President Barack Obama's advisers would recommend he veto any such resolution against the Internet rules if it were to make it to his desk.

#### Objections to the Updates to the Internet Child Privacy Protection Laws

The Internet will eat your kids alive and market crap to them while it's at it, which is why the Federal Trade Commission wants to update the Children's Online Privacy Protection Act, reports The Wall Street Journal's Emily Steel. "The Federal Trade Commission wants to give parents more control over what information websites can collect about their children." The new regulations would require parental consent for websites to collect information about your child, explains The New York Times's Somini Sengupta,

The proposed revisions expand the definition of 'personal information' to include a child's location, along with any personal data collected through the use of cookies for the purposes of targeted advertising. It also covers facial recognition technology. Web sites that collect a child's information would be required to ensure that they can protect it, hold onto it "for only as long as is reasonably necessary," and then delete the information safely.

Safeguarding kids from advertisers - sounds great! Lawmakers and parents alike approve of the step. Massachusetts representative Edward Markey heralded the commission's proposal, calling it a "much needed step." But not everyone is so keen on the safety regulations.

Advertising companies. Most obviously, the companies that lose most here

are the ones who give up access to precious information: marketing and advertising firms. "We think they may have gone a little too far," Jerry Cerasale, senior vice president of government affairs for the Direct Marketing Association told Steel. Instead of requiring consent for tracking cookies, advertisers would prefer less strict guidelines, continues Steel. "The Direct Marketing Association would prefer the definition of "personal information" only should include information that could be used to directly contact or communicate with a child because the programs don't always identify children but rather the computer," continues Steele. Not only do these companies fear they will lose kids' eyes, but they could lose an entire family full of ad-dollars.

Businesses. The provisions could put too large of a burden on Internet businesses, as they require companies to perform yearly audits to ensure compliance with the regulations. It could become "a Herculean task," Alan Weber an analyst with Altimeter Group, told The Los Angeles Times's Jim Puzzanghera and Jessica Gynn. "If the FTC's proposed revisions - go through, companies such as Facebook, Google and others are going to have to put more stringent fences up to keep kids out and then audit what data they do collect," he continued. Not only is this annoying for companies, but it could become expensive.

Parents. Most parents will appreciate the idea, but in practice might not want to comply. At least that's what The Center for Democracy and Technology predicts, reports Wired's David Kravets. "The D.C.-based policy group expressed alarm, however, over the FTC proposal requiring website operators to obtain scans of 'government-issued identification' from parents to grant permission for their kids to upload photos, for example. The center said that 'raises privacy concerns for parents.'"

#### California Governor Signs Compromise on Internet Taxes

Gov. Jerry Brown signed legislation Friday that postpones new sales taxes rules that would have affected online purchases in California, granting more time for traditional and online retailers to lobby Congress for a national standard on the high-stakes issue.

The bill, crafted as a compromise among Amazon.com, traditional retailers and California lawmakers searching for ways to raise revenue, delays until at least September 2012 online tax rules that were implemented as part of this year's state budget package.

Under the compromise, Amazon will drop a ballot referendum planned for next year to overturn the law passed earlier in the summer, a move that promised an ugly and expensive campaign fight between online and traditional retailers.

"When you get two threats, that gives you an opportunity to find a compromise," Brown said after he signed the bill at Gap Inc. offices in San Francisco. "Hopefully, (the bill) will set an example for our colleagues in Washington that they too can cooperate."

If that effort fails, Amazon has agreed to start collecting sales tax from California customers. The budget bill signed previously by Brown forced more online retailers to collect the state sales tax effective July 1. The move prompted Amazon to cut ties with some 25,000 affiliate businesses in California and spend more than \$5 million to collect signatures for the

ballot referendum.

The compromise bill will cost California an estimated \$200 million in tax revenue during the current fiscal year but helps both sides avoid a costly election contest and the possibility of legal challenges. State taxing authorities estimate that California loses at least \$83 million a year in uncollected state and local use tax attributed to Amazon's sales.

Under the deal, the retailing giant will rekindle its relationship with its California affiliates and has promised to create at least 10,000 full-time jobs and hire 25,000 seasonal employees in the state by the end of 2015.

In a statement, Amazon's vice president of global public policy, Paul Misener, called the compromise legislation a win for all sides.

"We're committed to working with Congress, retailers and the states to pass federal legislation as soon as possible and as analysts have noted, we'll continue to offer customers the best prices, regardless of whether sales tax is charged," he said.

Consumers are required under state law to pay sales tax when they order online from companies out of state, but the tax is virtually impossible to enforce without the cooperation of the retailers. Customers rarely pay.

Traditional retailers, from Wal-Mart to local business owners, say the inability to police taxation on the Internet creates an uneven playing field, with online retailers gaining an unfair advantage.

A 1992 U.S. Supreme Court ruling in a case involving a mail-order retailer says a business must only collect state tax from customers if it has a physical presence in the state where they live, such as a retail store. Several states responded by trying to broaden the definition of physical presence. At least six states had done so by 2010 while nine more, including California, launched similar legislative attempts this year.

California's version, under the bill signed earlier this summer, imposed tax-collection duties on a company if it used marketing affiliates in the state to refer customers or if it had sister companies in California, such as Amazon's Silicon Valley company that developed the Kindle electronic book reader. Internet retailers such as Amazon and Overstock.com said that violated the Supreme Court ruling.

Amazon and the California Retailers Association worked out the compromise in the final days of the legislative session to postpone the tax measure and allow the online and traditional retail lobbies to make a unified push in Washington for a national standard.

The compromise also had the blessing of the California Chamber of Commerce and traditional retailers such as Barnes & Noble Inc., Best Buy Inc., Crate & Barrel, Sears, Target Corp. and Wal-Mart Stores Inc.

"Amazon's concession to finally begin collecting sales tax in California is a ground-breaking moment that sends a strong message to Washington that it is time to stop giving special treatment to a select few," Bill Dombrowski, president of the California Retailers Association, said in a statement released by the governor's office. "All retailers deserve the chance to compete, grow and create jobs on a level playing field, without government picking winners and losers."



## Suspected LulzSec Hacker Arrested in Sony Studio Breach

A suspected member of the clandestine hacking group LulzSec was arrested in Arizona on Thursday on charges of taking part in an extensive computer breach of the Sony Pictures Entertainment film studio, the FBI said.

A federal grand jury indictment returned this month and unsealed on Thursday charges Cody Kretsinger, 23, with conspiracy and the unauthorized impairment of a protected computer in connection with the attack in May and June.

The nine-page indictment said Kretsinger and co-conspirators obtained confidential information from Sony Pictures' computer systems using an "SQL injection" attack against its website, a technique commonly used by hackers to exploit vulnerabilities and steal information.

Kretsinger, who went by the moniker "recursion," helped post information he and his co-conspirators stole from Sony on LulzSec's website and announced the intrusion via the hacking group's Twitter account, the indictment said.

The extent of damage caused by the breach of the studio's computer network remains under investigation, the FBI said.

LulzSec, an underground group also known as Lulz Security, at the time published the names, birth dates, addresses, e-mails, phone numbers and passwords of thousands of people who had entered contests promoted by Sony.

"From a single injection we accessed EVERYTHING," the hacking group said in a statement at the time. "Why do you put such faith in a company that allows itself to become open to these simple attacks."

Hackers previously had accessed personal information on 77 million PlayStation Network and Qriocity accounts, the vast majority of which were users in North America and Europe, in what was then the biggest such security breach in history.

Kretsinger, in an initial court appearance in Phoenix on Thursday, was ordered released on his own recognizance by U.S. Magistrate Judge Lawrence Anderson.

But as a condition of his release, Kretsinger was barred from using a computer to access the Internet except at his place of employment, or from traveling to any states other than Arizona, California and Illinois.

Other high-profile firms targeted by cyber attacks included Lockheed Martin and Google Inc.

Sony officials declined comment on Thursday's arrest.

LulzSec is reputed to be affiliated with the international hackers collective called Anonymous, which has claimed responsibility for cyber attacks on government and private institutions around the world.

Kretsinger faces a maximum sentence of 15 years in prison if convicted.

The government is requesting that he be removed to Los Angeles, where Sony Pictures' computer system is located and where the case against him has been filed.

#### Mulling Meg Whitman: HP Considers CEO Shakeup

As trial balloons go, Hewlett-Packard's not-so-secret handwringing 'over whether to dump CEO Leo Apotheker and replace him with former eBay CEO Meg Whitman' was a success. Investors like the idea. News that the company's board is mulling a leadership change pushed the stock up more than 7 percent on Wednesday.

Investors were heartened by yet another turnaround strategy at one of Silicon Valley's oldest, but most publicly dysfunctional, firms. Since joining HP in November, Apotheker's strategic decisions have been drastic, and have done little to inspire confidence. HP's stock is down nearly 50 percent since he took the helm.

HP is facing a classic big-company problem: How to meaningfully grow revenue. But it's also facing an identity crisis. The company's trying to figure out whether it works best as a technology conglomerate that can be all things to all customers, or as a more streamlined operation that does only a few things well.

Apotheker's potential exit comes as HP is predicting tough times ahead. In August the company lowered its outlook, saying it expects adjusted earnings of as much as \$4.86 per share and revenue of as much as \$127.6 billion, both of which were below analyst projections. The proposed spinoff of the PC division could make matters worse as customers refrain from ordering until a buyer is found.

Deliberations among the company's board of directors, which leaked Wednesday in published reports, also signal the disarray within HP about its direction. Shareholders have already voiced their fears. HP's market value has fallen by \$60 billion since former CEO Mark Hurd was forced out in August of last year over an ethical scandal. If Apotheker is ousted, he will be the third CEO jettisoned from HP in the past six years.

It won't be the first time for Apotheker, who was forced out of his previous job as CEO of business software maker SAP AG over ill-timed price hikes he implemented and widespread employee dissatisfaction. Apotheker was supposed to be a steady hand to steer HP out of controversy. Many analysts mocked the pick as an unusual choice, considering the circumstances.

In some ways, Meg Whitman would be an odd choice to replace Apotheker. While Whitman is more of a celebrity, her record wasn't perfect at eBay. She resigned from eBay in 2008 amid slowing growth and disappointment over eBay's \$2.6 billion gamble on the Skype Internet phone service. She's a billionaire who spent more than any candidate for a statewide office in U.S. history in unsuccessful Republican campaign for California governor last year. She spent at least \$174 million, all but \$30 million of it her own money.

Still, Whitman spent a decade guiding eBay and is a widely respected executive who took a website with 30 employees and \$86 million in revenue

and turned it into corporation with 15,000 people and nearly \$6 billion in revenue. Whitman is among the people brought onto HP's board in a reshuffling shortly after Apotheker was hired. How she would fare as CEO amid HP's current restructuring is unclear.

Apotheker has struggled, while complaining that HP suffered years of under-investment by his predecessor, Mark Hurd.

His latest decision to try to sell or spin off HP's personal computer division showed that many investors aren't sure what to make of his decision-making. The move was widely praised and vilified at the same time. Analysts cheered HP's efforts to exit parts of the computer hardware business that are barely profitable. But they assailed Apotheker's approach, which was to waffle about whether HP would actually shed the business or keep it after an auction to gauge buyers' interest. The equivocation has already done serious harm to the businesses' value, analysts said.

HP's board is reconsidering a spinoff or sale of the PC division. According to Bloomberg News, some board members think the plan wasn't thoroughly thought out.

Brian White, an analyst with Ticonderoga Securities, floated the idea that HP may not have had Apotheker in mind for the long term anyway. In a research note Wednesday, White wrote that he wouldn't be surprised if Apotheker all along was the "fall guy," hired to take the hit for the ugly work of restructuring.

White said he wouldn't be surprised if HP brings in a new CEO, "as we have always thought that Leo was placed in the role on a short-term basis to take the fall for the company's under investment under the previous CEO," White wrote. "At the same time, we believe a new CEO could begin to build credibility for HP and join the company after quite a bit of damage has already been done."

An HP spokesman declined to comment. The news was earlier reported by Bloomberg News and AllThingsD.com.

#### HP Fires Second CEO in 2 Years; Whitman in Charge

Hewlett-Packard has performed another extreme act of corporate remodeling, firing its CEO Leo Apotheker after just 11 months and replacing him with billionaire businesswoman and political aspirant Meg Whitman. Yet it's done little to convince investors that the company has its house in order.

HP has now removed two CEOs in two years, and the stock has dropped precipitously, shedding \$60 billion of HP's market value. Based on shareholder reaction to Thursday's CEO shuffle, more punishment is likely in store.

Mark Hurd was forced to resign a year ago in an ethics scandal, and on Thursday HP fired his successor, Leo Apotheker, after a string of disappointing earnings reports and the botched handling of key strategy announcements.

He was replaced by former eBay chief Meg Whitman, who brings celebrity appeal and the sheen of a dot-com-era star who transformed eBay Inc. from

scrappy startup to Internet-auction powerhouse.

The decision was the kind of hasty, headline-grabbing move that Silicon Valley watchers have come to expect from HP as it muddles through a very public identity crisis with an unpredictable board and the hardest job in technology to fill.

It was another dizzying turn of the executive merry-go-round at a company whose legendary leadership issues are straining HP's sprawling technology empire, which includes the world's biggest printer and PC businesses.

Shareholders were impressed by reports that leaked Wednesday about Whitman's candidacy for the job. But those gains were largely wiped out Thursday when fears set in that HP's strategy is still deeply flawed.

It's not what HP had in mind. Swapping Apotheker, who has now been ousted from two high-profile CEO jobs in two years, for Whitman was designed to stem investor fury over a series of questionable strategy moves.

HP's chairman, Ray Lane, said Apotheker's dismissal was caused by several factors.

"You don't deliver a quarter, you don't deliver another quarter, then you make some important announcements that are communicated poorly - it was incremental," Lane said on a conference call. Whitman was on the call, but Apotheker was not. "Then you have to make the tough call of, how long do you go along with that? Do you help? Do you surround? Or do you replace?"

Whitman is a billionaire who is best known for the decade she spent building eBay and her unsuccessful run last year for California governor.

Her star power could be an asset for a company that struggled to gain credibility under Apotheker, who was previously little-known outside of the business-software world. HP is no stranger to celebrity CEOs. But Carly Fiorina's run at the company's helm, from 1999 to 2005, ended in shambles.

Despite Whitman's success at eBay, she is untested when it comes to running a company that is in as many businesses as HP. Another turnaround effort earlier in her career, at FTD, the iconic flower-delivery company, ended with Whitman quitting after two years and declaring that the company is "not fixable." Many analysts have said the same thing about HP in its current form.

On Thursday, she defended her predecessor's most controversial moves. She said a decision on PC division's fate will be made by the end of the year.

Analysts are mixed about her prospects.

"She built up a one-trick pony, an online auction site, and she oversaw the growth of the company, but we are talking about a situation where someone needs to come in who has a technological background, an engineering and scientific background," said Steve Diamond, an associate professor at Santa Clara University School of Law. "And that is way outside of her skill set."

Diamond said the decision to change CEOs so soon points to continued disarray on HP's board, long a target of critics for the chaos it's caused at one of Silicon Valley's oldest and largest companies. Infighting and ego-driven drama has long plagued the board, from revelations in 2006 that HP had spied on directors and journalists to ferret out the source of

leaks, to last year's dismissal of CEO Mark Hurd in an ethics scandal.

"There's no question the board is off the rails - they need a smaller, tighter board that's committed to the idea of what the company does," Diamond said. "But they have a lot of people on the board from different industries. The tough job will be getting the board on board."

Whitman's appointment Thursday was Silicon Valley's worst-kept secret. Deliberations leaked out a day earlier to the delight of investors, who drove up HP's stock and apparently gave HP's board the push it needed to oust Apotheker.

HP's board met Thursday to finalize the change, having decided that Apotheker had lost the board's confidence in his ability to lead HP long-term, a person familiar with the matter told The Associated Press. This person was not authorized to speak on behalf of HP and spoke on the condition of anonymity.

Lane, the HP chairman, defended Apotheker's firing and Whitman's quick selection.

The board "objectively evaluated whether he was the right guy to operate the business, and we came to the conclusion that he was not," he said on the conference call. "And we chose someone who is a great operator, who executed in her business for years and has a track record of leadership. I can't think of a name out there over Meg that I would pick to be CEO of this company."

Apotheker was also forced to resign from HP's board. Lane's position has been elevated. He was non-executive chairman. He is now executive chairman.

An HP spokesman said that Apotheker, Whitman and Lane were not immediately available for interviews.

Whitman's likely arrival was greeted warmly Wednesday, when investors drove the stock up more than 7 percent on reports she was being considered for the job. But most of those gains evaporated Thursday, when fears set in that the company's strategy is still in need of repair.

Cathie Lesjak, HP's chief financial officer, added to those fears when she disclosed that she isn't sure HP can hit its revenue target of \$32.1 billion to \$32.5 billion in the quarter ending Oct. 31. She reaffirmed earnings guidance. She blamed weakness across consumer and commercial markets, particularly in Europe.

HP's stock fell \$1.18, or 4.9 percent, to close at \$22.80 on Thursday. It fell another 7 cents in after-hours trading. The declines were worse than the overall market. The Dow Jones industrial average plunged 391 points, or 3.5 percent, on worries that the global economy is headed for another recession.

Boosting HP's sagging stock price will be an urgent problem for Whitman.

HP's market value has dropped by \$60 billion since CEO Mark Hurd was forced out in August of last year over an ethical scandal. Hurd's departure set the stage for Apotheker's appointment as CEO and Lane's appointment as chairman.

Proving she can instill order in a disordered company is another pressing

issue.

eBay, when Whitman inherited it, was a star on the rise. HP is struggling with bloat and hasn't decided on a clear direction. It knows it wants to be more like IBM Corp., but has a long way to go to complete the transformation.

Steering a startup through a period of growth is markedly different from running an established company that's fallen on hard times, experts say.

Whitman touted her business credentials on the campaign trail in her unsuccessful California gubernatorial bid. She spent more than any candidate for a statewide office in U.S. history on the campaign - at least \$174 million, most of it her own money.

She became a respected executive for her work at eBay, transforming it from a website with a few dozen employees and less than \$100 million in revenue into an industry heavyweight with thousands of workers and billions in sales.

But her record as CEO also includes a lesser-known episode that paints a different picture of her abilities to quell a company in disarray. Whitman's time at FTD in the 1990s was her most high-profile turnaround attempt. It did not end well.

Whitman has rarely spoken about her time at FTD. It's an imperfect comparison to HP, but Whitman was brought in to the company in 1995 by her former colleagues at investment firm Bain & Co. to spearhead a major transformation. She was supposed to stay five years, but ended up quitting after two, citing investors' unrealistic goals.

"This company is not fixable, at least not by me," Whitman wrote in her book, "The Power of Many." She calls her tenure there "probably the most frustrating and, ultimately, least successful executive experience of my career."

Other types of concerns have been raised about Whitman.

She was named to HP's board this year as part of a sweeping overhaul under Apotheker and Lane. They were supposed to be steadying hands. But almost immediately, corporate governance experts began crying foul. They took issue with the fact Whitman's hiring by esteemed venture capital firm Kleiner Perkins Caufield & Byers, where Lane works, was announced a week after she was formally elected to HP's board.

Several unflattering incidents helped scuttle her gubernatorial campaign.

She was revealed to have shoved an eBay employee during a disagreement, which led to a six-figure settlement. Whitman said the altercation was an anomaly and taught her to always be professional. It was also revealed that her former housekeeper of nine years was an illegal immigrant.

To complicate matters further, Whitman was a board member at Goldman Sachs when it allegedly engaged in the now-illegal practice called "spinning," in which wealthy clients and CEOs whose companies did business with Goldman received early access to IPO shares, which they flipped quickly for large profits. Whitman said she forfeited the \$1.8 million she made from the deals in a lawsuit she settled with eBay shareholders.

## Amazon Expected To Unveil Tablet Next Week

Amazon.com Inc, which revolutionized reading with its Kindle e-reader, is expected to unveil a tablet computer next week that analysts say will seriously challenge Apple's market dominating iPad.

Amazon on Friday invited media to a press conference to be held in New York next Wednesday, declining to provide further details.

But analysts were confident that the world's largest Internet retailer will introduce its long-awaited tablet computer this year to expand in mobile commerce and sell more digital goods and services.

"Wednesday is tablet day," BGC partners analyst Colin Gillis told Reuters.

The tablet has been awaited as a strong competitor to Apple Inc's iPad. Apple has sold about 29 million of the devices since its launch in April 2010.

"The real issue here is that, you know, it is likely going to be good for consumers; is this going to be good for shareholders?," Gillis said. He wondered whether Amazon would price the tablet below those of rivals - and thereby do little to boost margins.

"Knowing Amazon, it is likely to be a very aggressive price," Gillis said.

In much the same way Amazon's Kindle e-reader was priced low to quickly get traction among readers the company is likely to keep the price of its tablet low to attract users and sell other content and services, one analyst said.

"It's a marketing tool to build a relationship with customers and sell them cloud (computing) services," said James McQuivey, an analyst with Forrester Research.

While Amazon has remained tight lipped even about the device's existence, the TechCrunch blog earlier this month said the Amazon tablet also will be called Kindle.

It will be a 7 inch device with a full color, touch screen, run on Google's Android software and cost \$250, the blog said, well below the price of the least expensive iPad.

Robert Baird & Co analyst Colin Sebastian said in a note last month than an Amazon tablet would be a "game-changer." Sebastian forecast the device could sell 3 million units in its first year.

The tablet could pose a major threat to Apple because of the Kindle's popularity and the movie and music services Amazon sells.

Forrester's McQuivey said the device also takes aim at Barnes & Noble Inc's NookColor device, which hit the market last year and features tablet functionalities.

Several technology companies like Research In Motion and Samsung have introduced tablets that sold poorly. Hewlett Packard Co announced recently it would abandon its tablet.

## Comcast Launches Low-income \$10 Broadband Program Nationwide

On Tuesday, Comcast announced the nationwide launch of its Internet Essentials program. The cable company's new program provides low-income families with school-going children access to \$10 broadband and even a cheap \$150 computer.

"Internet Essentials helps level the playing field for low-income families by connecting students online with their teachers and their schools' educational resources," said Comcast Corporation Executive David L. Cohen in a statement. He added that the program will enable parents to apply to jobs, learn about healthcare as well as government services in their area.

Though the service has been floating around since the beginning of the year, Comcast officially launched the nationwide program at Ballou High School in the District of Columbia. So far, 1,000 School districts (adding up to 20,000 schools) have signed up to take part and spread the word about Internet Essentials.

To be eligible you must:

Have a kid who is eligible to receive a free school lunch. Be located where Comcast provides service. Not have subscribed to Comcast in the past 90 days and generally be on good terms with the company.

The program offers low-income families Internet service at \$9.95 monthly, with download speeds of 1.5Mbps and 384 Kbps upload - no activation fees or price jumps. Families also receive a voucher for a \$150 computer (a Windows 7 netbook). For those that need a little help using the internet, customers will have access to free digital literacy training. Families will be signed up to the program by Comcast for at least three years.

Ars Technica points out that the cheap Internet offer is part of the conditions Comcast had to meet in order to buy NBC. The company pledged to hook up 2.5 million eligible families with high speed Internet. Whatever the reason, it's a step towards upping America's current global rank for broadband access.

## Facebook Changes Spark Online Complaints

Facebook users on Wednesday took to complaining about changes intended to make it easier to manage the torrents of updates from friends at the world's largest social network.

People vented ire in an array of online venues including a "Petition against the new Facebook homepage" at the social network and a Twitter stream tagged "#NewFacebook."

Some lamented that the latest Facebook changes were moves to be more like rival Google+ and hot text-message-based news-sharing service Twitter.

"#NewFacebook is like America," one Twitter user commented. "Plenty of people discontent(ed), but it's not like anyone is actually going to leave."



Facebook users are known for complaining fiercely about changes to the service but then adapting and sticking with the online community.

The backlash came a morning after Facebook began rolling out the latest in a rapid-fire series of enhancements in what founder Mark Zuckerberg referred to as a "launching season" for new features.

Facebook's "News Feed" that streams updates from friends now gives priority to important posts, images shared at the website are displayed larger, and a "Ticker" chat column was added for real-time conversations.

In recent weeks, Facebook has focused on ways for members to better control what information gets shared with whom.

Facebook last week began letting members follow strangers Twitter-style with the addition of "Subscribe" buttons that let people hear from people who aren't friends at the network, and share insights with strangers.

Facebook also began letting members be more selective about what kinds of updates from friends make it into their personal news feeds.

The "Ticker" chat panel in a right-hand column on the screen allows people to engage in text chats focused on freshly uploaded images or other posts.

More Facebook announcements are expected at the social network's annual developers conference in San Francisco on Thursday.

Speculation regarding what Facebook has in store at the gathering includes the launch of a platform for online music services such as Rdio and Spotify along with adding stories from professional news outfits.

The conference will come just days after Google dropped the need for an invitation to join the Internet giant's challenge to Facebook, Google+.

#### Missouri Reverses Ban on Teacher-Student Facebook Chats

Missouri lawmakers on Friday overturned a pending state law that would have banned private chatting between teachers and students on social media sites such as Facebook.

The law was blocked by a judge who ruled "it would have a chilling effect on free speech." He issued a preliminary injunction at the request of the Missouri State Teachers Association.

Lawmakers originally approved the clampdown on teacher-student communications in response to cases around the country where contacts outside the classroom led to sexual or other inappropriate relationships. Teachers argued that the vast majority of their online contact with students was strictly for educational purposes.

The reversal of the law passed the state House 139-2 on Friday. It had previously passed the state Senate. Gov. Jay Nixon now will decide whether to sign it.

Nixon earlier had asked lawmakers to overturn the law, saying social media are important to teaching and learning.

The revised law no longer would require all districts to ban social media contacts but it does order each district by March 1, 2012, to set electronic media policies to prevent improper communications between staff members and students.

The teachers association testified in favor of the amended bill, but spokesman Todd Fuller said Friday that individual school districts could pass policies imposing the very restrictions teachers are concerned about.

"We are going to have to address this issue with specific school districts to make sure they are not violating the rights of teachers," Fuller said.

### Small-Town Gossip Sites Are Horrifying

The Internet is a mean, nasty place and Topix, a gossip forum masquerading as a community news site, is only making it worse. Chris Tolles, Topix's chief executive, calls his sites "The Gawker for every little town in America," reports The New York Times's heir A.G. Sulzberger. But the sites, which Topix initially wanted to act as "hyperlocal news aggregator with separate pages for every community in the country," have turned into a "cesspool of character assassination." These sites are more dangerous than mini-Gawkers, they're like what the snarky blog would read like if the 7th grade popular girls had full editorial control.

Without social consequences these forums get pretty nasty. A sampling from a Mountain Grove, MO forum, which Sulzberger mentions in his piece:

"Joann has stolen money life insurance policies and a vehicle from a dead women forged her name and is now talking shit about the family she screwed but her day is coming and from what the lawyers say she will probably be going to the pen which is where she belongs after the low life things she has done. She is a pill freak and stole the women medication, and is now trying to trash talk the family."

Or a little later on in the topic thread:

"Joann.....is simply....how do i put this....ummm...a....B.I.T.C.H.  
.....S.K.A.N.K.Y.....N.A.S. T.Y.....E.W.W.W.W.W"

As you can see, these gossips talk about real people and since they reach large audiences, these nasty remarks have real consequences, but the company hosting them does not. "Topix, as an Internet forum," Sulzberger notes, "is immune from libel suits under federal law, but those who post could be sued, if they are found." It's nearly impossible to separate truth from fact and a false or not these rumors can have just as a disastrous effect as the truth. "A woman in Austin, Ind., killed herself and her three children this year. Hours earlier she wrote on the Web site where her divorce had been a topic of conversation, 'Now it s time to take the pain away,'" continues Sulzberger.

### Mexico "Twitter Terrorists" Freed

A Mexican man and woman jailed for sending online messages that mistakenly

warned an elementary school was under attack were freed on Wednesday, an attorney for the pair said.

Gilberto Martinez, a math teacher, and Maria de Jesus Bravo, a local radio host, walked out of jail on Wednesday afternoon, said their lawyer Fidel Ordonez.

The pair had been behind bars for more than three weeks after using their Twitter accounts to say that gunmen had targeted a school in the city of Veracruz one afternoon in late August.

The two faced charges that equated spreading word of a violent attack with terrorism under laws in their native Veracruz, a state on the Gulf of Mexico.

Police allege that each of them posted similar warnings about gunmen taking children hostage as parents rushed to save their kids from the reported violence.

The pair believed that they were warning of a real threat after hearing rumors of an attack that later proved untrue, their attorney said. The case immediately drew world attention as a civil liberties abuse.

"The government was shamed into setting them free," said Ordonez.

Veracruz lawmakers this week watered down the original law that could have seen the pair sent to jail for 30 years, opting for lighter sentences on similar charges.

A public outcry continued even after the law was changed, Ordonez said, and that pressure helped lead to the charges being dropped.

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